

BILL NO. 81-16

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COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 81-16

Introduced by Council Member Spry and Council President Hardwicke  
at the request of the County Executive

Legislative Day No. 81-8 Date March 10, 1981

AN ACT authorizing and empowering Harford County, Maryland, to issue and sell its industrial development revenue bonds, to be designated "Harford County, Maryland Industrial Development Revenue Bonds (Delta Lumber & Building Supply Co. Project)", in a principal amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) pursuant to the provisions of Section 266(A) to 266(I), inclusive of Article 41 of the Annotated Code of Maryland (1971 Replacement Volume 1979 Cumulative Supplement), as amended, for the sole and exclusive purpose of financing the acquisition of an industrial building in Harford County, Maryland, as provided in this Ordinance; making certain legislative findings among others, concerning the public benefit and purpose of such industrial development revenue bonds; providing that such industrial development bonds (a) shall be payable solely and only from (i) revenue derived from payments by David C. Galbreath trading as Delta Lumber & Building Supply Co. to Harford County, Maryland, on account of such loan, and (ii) any and all monies realized from the sale of the collateral as described herein, and (b) shall not

By the Council, March 10, 1981

Introduced, read first time, ordered posted and public hearing scheduled

on: April 7, 1981

at: 6:30 p.m.

By Order: Angela Markowski, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on April 7, 1981 and concluded on April 7, 1981

Angela Markowski, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

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Introduced by \_\_\_\_\_

Legislative Day No. \_\_\_\_\_ Date \_\_\_\_\_

constitute, within the meaning of any Constitutional or Charter provision or otherwise, (i) indebtedness of Harford County, Maryland, or of any other political subdivision, (ii) a charge against the general credit or taxing powers of Harford County, Maryland; or (iii) a capital project under the Charter or local laws of Harford County, Maryland, or laws of the State of Maryland; authorizing the private (negotiated) sale of such industrial development revenue bonds; prescribing certain details pertaining to such industrial development revenue bonds, including (without limitation) (a) the amount, date and maturity of such industrial development revenue bonds, (b) the interest rate to be paid on such industrial development revenue bonds, (c) the prepayment provisions, if any, relating to such industrial development revenue bonds, (d) the form and tenor of such industrial development revenue bonds and (e) the terms, conditions and security for such industrial development revenue bonds; and providing for approval by resolution of the Harford County Council of the form and contents and authorizing the execution and delivery of the various documents necessary or appropriate to effectuate the aforementioned sale of industrial development revenue bonds, and any change in the maturity schedule of the bonds, the interest rates payable, redemption feature of the Bonds and the amount of the industrial development revenue bonds to be sold (not

By the Council, \_\_\_\_\_

Introduced, read first time, ordered posted and public hearing scheduled

on: \_\_\_\_\_

at: \_\_\_\_\_

By Order: \_\_\_\_\_, Secretary

#### PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on \_\_\_\_\_ and concluded on \_\_\_\_\_.

\_\_\_\_\_, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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Introduced by \_\_\_\_\_

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exceeding \$250,000); authorizing the execution of the statement of election required by Section 103(b)(6)(D) of the Federal Internal Revenue Code of 1954 as amended; and providing for the method(s) for determining the principal amount of the bonds not exceeding \$250,000, payment dates, maturity schedule, interest rates, prepayment penalties, denomination of bonds and the terms, conditions and security for the bonds including authorization, execution and delivery of documents necessary or appropriate in connection with the bonds and/or the security therefor, pursuant to resolution(s) approved by the Harford County Council and generally providing for and determining various matters in connection with the authorization, security, sale, and payment of such industrial development revenue bonds, indicating that this Ordinance has no financial impact on Harford County.

By the Council, \_\_\_\_\_

Introduced, read first time, ordered posted and public hearing scheduled

on \_\_\_\_\_

at \_\_\_\_\_

By Order: \_\_\_\_\_, Secretary

#### PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on \_\_\_\_\_ and concluded on \_\_\_\_\_

\_\_\_\_\_, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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COUNTY COUNCIL  
OF  
HARFORD COUNTY, MARYLAND

BILL NO. 81-16

Legislative Day No. 81-8 Date: March 10, 1981

BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND THAT Harford County, Maryland, is hereby authorized and empowered to issue and sell its industrial development revenue bonds to be designated "Harford County, Maryland Industrial Development Revenue Bonds (Delta Lumber & Building Supply Co. Project)", in the principal amount not exceeding Two Hundred Fifty Thousand Dollars (\$250,000) pursuant to the provisions of Section 266(A) to 266(I), inclusive, of Article 41 of the Annotated Code of Maryland (1971 Replacement Volume, 1979 Cumulative Supplement), as amended, in order to loan the proceeds thereof to David C. Galbreath trading as Delta Lumber & Building Supply Co. ("Owner"), for the sole and exclusive purpose of financing the acquisition by the Owner of an industrial building in Harford County, Maryland, as provided in this Ordinance; making certain legislative findings, among others, concerning the public benefit and purpose of such industrial development revenue bonds; providing that such industrial development revenue bonds (a) shall be payable solely and only from (i) revenues derived from payments by the Owner to Harford County, Maryland, (ii) any and all monies realized from the sale of collateral and (iii) any other funds available for such purpose and (b) shall not ever constitute, within the meaning of any constitutional or charter provision or otherwise, (i) an indebtedness of Harford County, Maryland, or of any other political subdivision (ii) a charge against the general credit or taxing powers of Harford County, Maryland;

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1 authorizing the private (negotiated) sale of such industrial  
2 development revenue bonds; prescribing certain details per-  
3 taining to such industrial development revenue bonds, including  
4 (without limitation) (a) that the amount, dates and maturity  
5 schedule of such industrial development revenue bonds, the  
6 interest rate to be paid on such industrial development revenue  
7 bonds, the prepayment penalty provision, if any, relating to  
8 such industrial development revenue bonds, the denomination  
9 of the bonds, the terms, conditions and security for such  
10 industrial development revenue bonds, including the authori-  
11 zation, execution and delivery of the various documents  
12 necessary or appropriate to effectuate the sale of the in-  
13 dustrial development revenue bonds and the execution of all  
14 documents necessary or appropriate in connection with such  
15 industrial development revenue bonds shall be approved by  
16 resolution of the Harford County Council, and (b) the form  
17 and tenor of such industrial development revenue bonds;  
18 authorizing the execution of the statement of election required  
19 by Section 103(b)(6)(D) of the Federal Internal Revenue Code  
20 of 1954 as amended; and generally providing for and determining  
21 various matters in connection with the authorization, issuance,  
22 security, sale and payment of such industrial development  
23 revenue bonds; and providing for the method(s) for determining  
24 the principal amount of the bonds not exceeding \$250,000,  
25 payment dates, maturity schedule, interest rates, prepayment  
26 penalties, denomination of bonds and the terms, conditions  
27 and security for the bonds including authorization, execution  
28 and delivery of documents necessary or appropriate in connection  
29 with the bonds and/or the security therefor, pursuant to  
30 resolution(s) approved by the Harford County Council.

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## RECITALS

Sections 266(A) to 266(I), inclusive, of Article 41 of the Annotated Code of Maryland (1971 Replacement Volume 1979 Cumulative Supplement) as amended, (the "Act") empowers all the Counties and Municipalities of the State of Maryland to issue revenue bonds and to loan the proceeds of sale of such revenue bonds to an industrial concern to finance the acquisition (as defined in the Act) by such industrial concern of industrial buildings (as defined in the Act). The Act declares it to be the legislative purpose to relieve conditions of unemployment in the State, to encourage the increase of industry and a balanced economy in the State, to assist in the retention of existing industry in the State through the control, reduction or abatement of pollution of the environment (where the proceeds of bonds are used for that purpose), to promote economic development, to promote natural resources and, in this manner, to promote the health, welfare and safety of the residents of each of the Counties and municipalities of the State of Maryland.

Harford County, Maryland, (the "County") has determined to issue and sell its Harford County, Maryland, Industrial Development Revenue Bonds (Delta Lumber & Building Supply Co. Project), in an amount not exceeding \$250,000 (the "Bonds") and to loan ("Loan") the proceeds of the Bonds to the Owner, an industrial concern as mentioned in the Act, on the terms and conditions set forth in agreements to be entered into by and between the County, the Owner and others (the "Agreements"), as provided by this Ordinance and in resolutions to be passed from time to time by the County Council of Harford County, Maryland, in order to finance the acquisition (within the meaning of the Act) by the Owner of a certain industrial building (within the meaning of the Act) in Harford County, Maryland

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1 (the "Industrial Building"), and thereby relieve conditions of  
2 unemployment in the State of Maryland and in Harford County,  
3 Maryland, and thus encourage economic development and protect  
4 the health, welfare and safety of the citizens of the State  
5 of Maryland and Harford County, Maryland.

6 The Bonds will be sold at private (negotiated) sale  
7 to Forest Hill State Bank (the "Bank") or any other purchaser  
8 approved by resolution of the Harford County Council.

9 The Company will execute and deliver or cause to be  
10 executed and delivered (a) a deed of trust ("Deed of Trust")  
11 conveying the Industrial Building as security for the Loan  
12 (b) such other Agreements as may be necessary or appropriate  
13 to accomplish the foregoing and/or to provide security for the  
14 purchasers of the Bonds and to indicate that the issuance and  
15 sale of the Bonds and the execution and delivery of the Agree-  
16 ments are to be without any liability of any kind on the part  
17 of the County.

18 In order to insure that the proceeds of the Bonds and  
19 the loan will be used for the purposes set forth in the Act,  
20 the Company will enter into a trust agreement with certain  
21 individual trustees (the "Trust Agreement") pursuant to which  
22 the proceeds of the Bonds will be deposited with such trustees  
23 and held, invested and disbursed by such trustees as therein  
24 provided.

25 The County received a letter of intent from the  
26 Owner dated December 1, 1980 (the "Letter of Intent"), requesting  
27 the County to participate in the financing of the acquisition  
28 of the Industrial Building in an amount not to exceed (\$250,000).  
29 The Letter of Intent was approved by the County Council of  
30 Harford County, Maryland, (the "County Council") by Resolution  
31 Number 69-80, adopted on December 2, 1980 and accepted by the  
32 County Executive and the President of the County Council on

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1 December 2, 1980, subject to the adoption of this Ordinance.

2 NOW THEREFORE, in accordance with the terms and  
3 provision of the Act and the Charter of Harford County, Maryland:

4 Section 1. BE IT ENACTED BY THE COUNTY COUNCIL OF  
5 HARFORD COUNTY, MARYLAND, that acting pursuant to the Act, it  
6 is hereby found and determined as follows:

7 1. The issuance and sale of the Bonds by the County  
8 in order to lend the proceeds thereof to the Company pursuant to  
9 the Act for the sole and exclusive purpose of financing the  
10 acquisition of the Industrial Building (within the meaning of the  
11 Act) will facilitate and expedite the acquisition of the  
12 Industrial Building by the Owner. The Industrial Building will  
13 consist of approximately 8.03 acres of land near the northeast  
14 corner of Maryland Routes 136 and 165, land development and  
15 construction of two buildings to be used in the business of the  
16 Owner.

17 2. The acquisition of the Industrial Building by the  
18 Owner and the financing of the Industrial Building as provided  
19 in this Ordinance will promote the declared legislative purposes  
20 of the Act by (a) sustaining jobs and employment, thus relieving  
21 conditions of unemployment in the State of Maryland and in  
22 Harford County, Maryland; (b) encouraging the increase of  
23 industry and a balanced economy in the State of Maryland and in  
24 Harford County, Maryland; (c) assisting in the retention of  
25 existing industry in the State of Maryland and in Harford County,  
26 Maryland; (d) and promoting economic development; and (e)  
27 promoting the health, welfare and safety of the residents of  
28 Harford County, Maryland, and in the State of Maryland.

29 3. It is in the best interests of the citizens of  
30 the County to finance the acquisition of the Industrial Building  
31 by a loan to the Owner.

32 4. Neither the Bonds nor the interest thereon, will



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1 constitute (a) a general obligation of the County or (b) a  
2 charge against or pledge of the general credit or taxing powers  
3 of the County within the meaning of the Constitution of Maryland

1 or any constitutional, statutory or charter provision or  
2 limitation, and neither shall ever constitute or give rise to  
3 any pecuniary liability on the part of the County. The prin-  
4 cipal of and interest on the Bonds shall be payable from and  
5 secured by (a) an assignment of (i) the revenues realized and  
6 the collateral pledged, under the Loan Agreement, and (ii) the  
7 Owner's right, title and interest in and to, and remedies  
8 under the Trust Agreement, and (b) such other Agreements as may  
9 be necessary or appropriate. The principal amount of the Loan  
10 and the repayments to be made by the Owner pursuant to the Loan  
11 Agreement authorized will be paid directly to the trustees  
12 under The Trust Agreement to be held and disbursed as agent for  
13 the holders of the Bonds. No such monies will be comingled with  
14 the County's funds or will be subject to the absolute control  
15 of the County, but only to such limited supervision and checks  
16 as are deemed necessary or desirable by the County to insure that  
17 the proceeds of the Bonds are used to accomplish the public  
18 purposes of the Act and this Ordinance. The transactions  
19 authorized hereby do not constitute the acquisition of property  
20 for public use or the purchase of equipment for public use. The  
21 public purposes expressed in the Act are to be achieved by  
22 facilitating the acquisition of the Industrial Building by the  
23 Owner.

24 5. The security for the Bonds shall be solely and  
25 exclusively (a) the absolute, irrevocable and unconditional  
26 obligation of the Owner to make the payments required by the  
27 Loan Agreement and (b) monies realized from any and all collater-  
28 al (including the Industrial Building) pledged as security for  
29 the Loan.

30 6. None of the receipts and revenues of the County  
31 from the Bonds or the Agreements shall be set aside as a  
32 depreciation account (mentioned in the Act).

1        7. The best interests of the County will be served by  
2 selling the Bonds to Forest Hill State Bank or other purchaser  
3 approved by resolution of the Harford County Council at private  
4 (negotiated) sale, as authorized by the Act, upon the terms  
5 and conditions approved by the County as set forth in this  
6 Ordinance.

7        Section 2. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
8 OF HARFORD COUNTY, MARYLAND, that, subject to the provisions  
9 of this Ordinance, the County is authorized and empowered  
10 pursuant to the Act, to issue and sell its Harford County,  
11 Maryland, Industrial Development Revenue Bonds (Delta Lumber  
12 & Building Supply Co. Project) in a principal amount not to  
13 exceed Two Hundred Fifty Thousand Dollars (\$250,000), such Bonds  
14 to be solely and exclusively payable from revenue derived by  
15 the County from payments on the Loan by the Owner, and secured  
16 as provided herein. The Bonds shall be designated "Harford  
17 County, Maryland, Industrial Development Revenue Bonds (Delta  
18 Lumber & Building Supply Co. Project)", shall bear interest  
19 and be payable as provided in subsequent resolutions approved  
20 by the Harford County Council, and shall be in substantially  
21 the following form, with such changes as may be approved by  
22 resolutions of the Harford County Council.

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UNITED STATES OF AMERICASTATE OF MARYLANDHARFORD COUNTY, MARYLANDINDUSTRIAL DEVELOPMENT REVENUE BONDDELTA LUMBER & BUILDING SUPPLY CO. PROJECT

1981 \$250,000

For value received, Harford County, Maryland (the "Issuer"), a body politic and corporate and a political subdivision of the State of Maryland, hereby promises to pay to bearer, or if this bond be registered as herein provided, then to the registered owner hereof, solely from the special fund hereinafter described and from no other source, on or before the            day of            , 20    , ("Maturity"), as provided below, the principal sum of

                                 Dollars (\$            ) and to pay solely from said special fund, interest thereon from date hereof at the rate of            per annum, first payable            , 1980, and on each            and            thereafter until maturity, with principal being first payable            , 1980, and on each            and            thereafter until maturity, in an amount which when added to the interest due and payable on each such date shall equal

Dollars (\$            ), with the unpaid principal, if any, due and payable on maturity. Both the principal hereof and the interest hereon are payable in lawful money of the United States of America at the principal office of Forest Hill State Bank in Forest Hill, Maryland.

This Bond is the duly authorized issue of the issuer designated as "Harford County, Maryland Industrial Development Revenue Bond (Delta Lumber & Building Supply Co. Project). This Bond is hereinafter referred to as the "Bond" or "Bond."

This bond is issued pursuant to the authority of

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1 Sections 266(A) to 266(I), inclusive, of Article 41 of the  
2 Annotated Code of Maryland (1971 Rep. Vol. 1979 Cum. Supp.),  
3 as amended (the "Act"), and pursuant to and under the authority  
4 of Council Bill No. 81- enacted by the County Council of  
5 Harford County on , 1981, which Council Bill No.  
6 81- became effective on , 1981 (the "Ordinance")  
7 and certain resolutions approved by the County Council of  
8 Harford County ("Resolutions"). Reference is hereby made to the  
9 Ordinance and Resolutions for the provisions, among others,  
10 with respect to (A) the nature and extent of the security for  
11 this bond, (B) the rights, duties and obligations of the County  
12 (C) the terms upon which this Bond is issued and secured and  
13 (D) the modification or amendment of any of the foregoing or  
14 of agreements executed and delivered in connection with the  
15 Delta Lumber & Building Supply Co. Project: and by the acceptance  
16 of this Bond, the holder hereof assents to all of the provisions  
17 of the Ordinance and Resolutions and agrees to be bound thereby.

18 This Bond is issued for the purpose of financing, in  
19 whole or in part, the cost of the acquisition (as defined in  
20 the Act) by David C. Galbreath trading as Delta Lumber &  
21 Building Supply Co. of an Industrial Building (as defined in  
22 the Act) in Harford County, Maryland (the "Industrial Building"),  
23 and paying expenses incidental thereto so as to help relieve  
24 conditions of unemployment in the State of Maryland and in  
25 Harford County, and to help encourage the increase of industry  
26 and achieve a balanced economy in the State of Maryland and  
27 in Harford County, to assist in the retention of industry  
28 existing in the State of Maryland, to promote economic develop-  
29 ment, and in this manner to promote the health, welfare and  
30 of Harford County.

31 This Bond and the redemption premium (if any) and  
32 interest hereon shall not be deemed to constitute a debt or

1 a general obligation or a pledge of the faith and credit of  
2 the State of Maryland or of Harford County, Maryland, and does  
3 not directly, indirectly or contingently obligate said State  
4 or County to levy or to pledge any form of taxation whatever  
5 for the payment of such principal, redemption premium (if any)  
6 and interest. This Bond is payable solely from revenues  
7 derived from payments by David C. Galbreath trading as Delta  
8 Lumber & Building Supply Co. (the "Owner") to the County under  
9 a Loan Agreement of even date herewith between the County  
10 and the Owner ("Loan Agreement"), any and all monies realized  
11 from the sale of collateral pledged as security for such loan  
12 and all monies received under any guaranty agreements. Neither  
13 this Bond nor the interest payable hereon shall ever constitute  
14 an indebtedness or a charge against the general credit or taxing  
15 powers of the County within the meaning of any constitutional  
16 provision or statutory or charter limitation and neither shall  
17 ever constitute or give rise to any pecuniary liability of  
18 the County. No recourse shall be had for the payment of the  
19 principal of, or the redemption premium (if any) and the  
20 interest on, this Bond against any officer or member of the  
21 Issuer.

22 Pursuant to the Loan Agreement, payments sufficient  
23 for the prompt payment when due of the principal of and interest  
24 on this Bond are to be paid by the Company directly to Forest  
25 Hill State Bank (the "Bank") to be held by the Bank, as agent  
26 for the holder of this Bond, in a separate and special fund  
27 created by the Ordinance, to be used by the Bank, as agent  
28 for the holder of the Bond, for the payment of the principal  
29 of and interest on this Bond.

30 The County may under certain circumstances prescribed  
31 in Section 6 of the Ordinance be required to pay (but only  
32 out of amounts made available to the County by the Owner or

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1 others for such purposes) all or part of the principal of this  
2 Bond plus accrued and unpaid interest before maturity upon  
3 the terms provided in such Section 6 of the Ordinance. In the  
4 event of partial prepayment, the holder hereof shall surrender  
5 this Bond to the Bond Registrar (hereinafter referred to), for  
6 notation hereon that this Bond, to the extent of the amount  
7 prepaid, has been partially prepaid. In the event of a partial  
8 prepayment of this Bond, the sums applied to the prepayment  
9 shall be applied to the prepayment of the principal hereof  
10 in the inverse order of the monthly installment payment dates.  
11 Reference is hereby made to Section 6 of the Ordinance for  
12 the provisions relating to the prepayment of this Bond, and,  
13 by the acceptance of this Bond, the holder hereof assents to  
14 such prepayment provisions and agrees to be bound thereby.

15 Notice of any such prepayment shall be given at least  
16 two (2) banking days prior to the prepayment date by mailing  
17 and by telegraphing to the registered owner of this Bond a  
18 notice fixing such prepayment date, the amount of principal  
19 to be prepaid and the interest to be paid through the prepay-  
20 ment date. The notice required herein to be given may be  
21 waived by the registered owner of this Bond.

22 All payments hereunder shall be made in immediately  
23 available funds at the office of Forest Hill State Bank, Forest  
24 Hill, Maryland. If any principal or interest payable hereon  
25 falls due on any day other than a banking day at the Bank,  
26 then such payment date shall be extended to the next succeeding  
27 full banking day.

28 In the event any installments of the principal and  
29 interest, or payment of interest, as hereinabove provided,  
30 is not paid when due and payable, such installment of principal  
31 and interest, or payment of interest, shall bear interest at  
32 the rate of per annum.

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1 until paid.

2 This Bond shall be registered as to both principal and  
3 interest. The Bank shall serve as Bond Registrar, and shall  
4 keep at its principal office in Forest Hill, Maryland, for  
5 so long as this Bond remains outstanding, books for the regis-  
6 tration and transfer hereof. When used herein, the term  
7 "holder of this Bond" shall mean the registered owner from  
8 time to time of this Bond. The initial holder of this Bond  
9 shall be the Bank.

10 This Bond shall be transferable only upon the books  
11 maintained by the Bond Registrar by the registered owner hereof  
12 in person or by his attorney duly authorized in writing, upon  
13 surrender hereof together with a written instrument of transfer  
14 satisfactory to the Bond Registrar duly executed by the regis-  
15 tered owner or his duly authorized attorney. This Bond is a  
16 "security" within the meaning of Article 3 of the Maryland  
17 Uniform Commercial Code, and, notwithstanding the provisions  
18 herein contained for registration, is, and shall remain,  
19 negotiable. The laws of the State of Maryland shall govern  
20 the construction of this Bond.

21 The County, the Bank, any trustees under any trust  
22 agreement for the holder of this Bond, and the Bond Registrar  
23 may deem and treat the person in whose name this Bond shall  
24 be registered as the absolute owner hereof, whether this Bond  
25 shall be overdue or not, for the purpose or receiving payment  
26 of, or on account of, the principal of and interest hereon and  
27 for all purposes, and all such payments so made to such  
28 registered owner or upon his order shall be valid and effectual  
29 to satisfy and discharge the liability upon this Bond to the  
30 extent of the sum or sums so paid, and neither the County nor  
31 the Bank, as agent for the holder of this Bond, nor the Bond  
32 Registrar shall be affected by any notice to the contrary.



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1        Within sixty (60) days after receipt of a written request  
2 from the holder hereof (or within such longer period as may be  
3 reasonably required for the authorization, issuance and prepara-  
4 tion of bonds) the County will take action necessary to cause  
5 serial bonds to be duly authorized and issued, to the extent  
6 permitted by applicable laws, in order that this Bond may be  
7 exchanged for a series of serial bonds. Any serial bonds so  
8 authorized and issued shall be substantially in the same form  
9 as this Bond, with only such changes in amounts, dates and  
10 other details as may be necessary. All such serial bonds shall  
11 (a) bear interest at the same rate, and (b) be ratably and  
12 equally secured by, and entitled to the benefits of, the  
13 Ordinance and the security for the repayment of the Bond provided  
14 for therein. Any expenses incurred by the County in authorizing  
15 and issuing any such serial bonds shall be paid by the Owner.

16        IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all  
17 conditions, acts and things required by the Constitution and  
18 laws of the State of Maryland and the Charter of Harford County,  
19 Maryland, to exist, to have happened and to have been performed  
20 precedent to and in the execution and delivery of this Bond  
21 exist, have happened, and have been performed, and that the  
22 issuance of this Bond, together with all obligations of the  
23 County, does not exceed or violate any constitutional or  
24 statutory debt limitations.

25        IN WITNESS WHEREOF, HARFORD COUNTY, MARYLAND, has caused  
26 this Bond to be signed by the manual signature of its County  
27 Executive, and has also caused its corporate seal to be  
28 hereunto affixed and attested by the manual signatures of its  
29 Director of Administration, all as of the        day of  
30        , 1981.

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1 ATTEST: HARFORD COUNTY, MARYLAND

2  
3 By  
Director of Administration County Executive

4  
5 (SEAL)

6 (A Prepayment Record will be attached to the Bond.)

7 Section 4. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
8 OF HARFORD COUNTY, MARYLAND, that in consideration of the  
9 purchase and acceptance of the Bonds by those who shall hold  
10 the same from time to time, (i) this Ordinance shall be deemed  
11 to be and shall constitute a contract between the County and  
12 the holder from time to time of the Bonds; and (ii) the assign-  
13 ments described herein and the covenants to be performed by  
14 or on behalf of the County shall be for the benefit, protection  
15 and security of the holder of the Bonds.

16 Section 5. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
17 OF HARFORD COUNTY, MARYLAND, that simultaneously with the  
18 issuance and sale of the Bonds, the County, will, pursuant  
19 to the terms of the Agreements and the Act, cause the proceeds  
20 of sale thereof to be applied to the acquisition of the Indus-  
21 trial Building in accordance with the provisions of the Act,  
22 this Ordinance and the Resolutions.

23 The proceeds of the Bonds shall be advanced as provided  
24 in the Agreements, and, in order to insure that such proceeds  
25 will be used for the purposes set forth in the Act, the County  
26 shall deposit such proceeds with the trustees under the Trust  
27 Agreement, and as provided in the Agreements, who will hold,  
28 invest and disburse such proceeds as herein and in the Agree-  
29 ments provided.

30 Section 6. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
31 OF HARFORD COUNTY, MARYLAND, that the County covenants that  
32 it will promptly pay the principal of and interest on the Bonds,

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1 and premium, if any, at the place, on the dates and in the  
2 manner provided in this Ordinance and in the Bonds according  
3 to their true intent and meaning; provided that the Bonds,  
4 together with the interest thereon, shall be the limited  
5 obligation of the County payable solely from the monies derived  
6 from (a) the Loan Agreement and the sale of any collateral  
7 pledged thereunder, and (b) all other security referred to in  
8 this Ordinance, and shall be a valid claim of the holder thereof  
9 only against such monies, which monies shall be used for no  
10 other purpose than to pay the principal of and interest on  
11 the Bonds and expenses authorized by the Act (except as may  
12 be otherwise expressly authorized in this Ordinance). Neither  
13 the Bonds nor the interest payable thereon shall ever constitute  
14 an indebtedness or a charge against the general credit or taxing  
15 powers of the County within the meaning of any constitutional  
16 or charter provision or statutory limitation and neither shall  
17 ever constitute or give rise to any pecuniary liability of  
18 the County.

19 Section 7. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
20 OF HARFORD COUNTY, MARYLAND, that payment of the Bonds and the  
21 interest thereon shall be made to the registered owner thereof  
22 by the Bank as agent for the holder of the Bonds. All payments  
23 of principal, interest and other charges required by this  
24 Ordinance or the Bonds shall be made to any trustees under  
25 the Trust Agreement at the office of the Bank, Forest Hill  
26 State Bank, Forest Hill, Maryland, in lawful money of the  
27 United States of America, in immediately available funds.  
28 Interest on the Bonds shall be calculated on the basis of a  
29 360-day year factor to be applied to actual days elapsed. If  
30 any principal and/or interest payment on the Bonds falls due  
31 on a Saturday, Sunday or public holiday at the place of payment  
32 thereof, then such date shall be extended to the next succeeding

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1 full banking day at such place.

2 When the principal of and interest on the Bonds shall  
3 have been fully paid, the Bonds shall forthwith be surrendered  
4 to the Bond Registrar for cancellation.

5 Section 8. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
6 OF HARFORD COUNTY, MARYLAND, that the Bonds shall be registered  
7 as to both principal and interest. The Bank shall serve as  
8 Bond Registrar, and it shall keep at its principal office,  
9 for so long as the Bonds remain outstanding, books for the  
10 registration and transfer of the Bonds.

11 The Bonds shall be transferable only upon the books  
12 maintained by the Bond Registrar by the registered owner thereof  
13 in person or by his attorney duly authorized in writing, upon  
14 surrender thereof together with a written instrument of transfer  
15 satisfactory to the Bond Registrar duly executed by the regis-  
16 tered owner or his duly authorized attorney.

17 The County, the Bank as agent for the holder of the  
18 Bonds and the Bond Registrar may deem and treat the person  
19 in whose name the Bonds shall be registered as the absolute  
20 owner of the Bonds, whether the Bonds shall be overdue or not,  
21 for the purpose of receiving payment of, or on account of,  
22 the principal of and interest on the Bonds and for all other  
23 purposes, and all such payments so made to such registered  
24 owner or upon his order shall be valid and effectual to satisfy  
25 and discharge the liability upon the Bonds to the extent of  
26 the sum or sums so paid, and neither the County nor the Bank  
27 nor the Bond Registrar shall be affected by any notice to the  
28 contrary.

29 The Bonds shall be in the denomination of Five Thousand  
30 Dollars (\$5,000) each or in such other denomination as may be  
31 approved in the Resolutions.

32 Section 9. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL

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1 OF HARFORD COUNTY, MARYLAND, that the County intends to assist  
2 in the financing of the Industrial Building for the Owner  
3 in an amount not to exceed Two Hundred Fifty Thousand Dollars  
4 (\$250,000) as described generally in the Letter of Intent,  
5 by authorizing the issuance and sale of the Bonds pursuant  
6 to the Act, and by using the proceeds thereof for the purposes  
7 described in this Ordinance and in the agreements for financing  
8 of the acquisition of an Industrial Building, including the  
9 Loan Agreement and other documents as may be approved by  
10 Resolutions adopted by the Harford County Council, the Bond  
11 to be secured solely as hereinabove provided in this Ordinance.  
12 This Ordinance is adopted as a material inducement to the  
13 Company to acquire and construct the Industrial Building in  
14 Harford County, Maryland.

15       Section 10. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
16 OF HARFORD COUNTY, MARYLAND, that the execution and delivery  
17 of the Bonds, the agreements, and all other documents necessary  
18 to evidence and secure the Bonds and the Agreements are hereby  
19 authorized. The Bonds and other Agreements shall be executed  
20 on behalf of the County by the County Executive of the County  
21 by his signature, and the corporate seal of the County shall be  
22 impressed or otherwise reproduced thereon and attested by the  
23 Director of Administration of the County by his manual signature.  
24 In case any officer whose signature shall appear on the Bonds  
25 or any of the aforesaid documents shall cease to be such officer  
26 before the delivery of the Bonds or any of the other documents  
27 aforesaid, such signature shall nevertheless be valid and  
28 sufficient for all purposes, the same as if such officer had  
29 remained in office until delivery. The County Executive, the  
30 Director of Administration and other officials of the County  
31 shall do all such acts and things and execute such supporting  
32 documents and certificates as may be necessary to carry out

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1 and comply with the provisions hereof, including, but not limited  
2 to, the statement of election required by Section 103(b)(6)(D)  
3 of the Federal Internal Revenue Code of 1954, as amended. Before  
4 the execution and delivery of the Bonds by the County Executive  
5 to the Bank as agent for the holder of the Bonds, the County  
6 shall have received a certificate signed by an officer of the  
7 Bank and the Company and satisfactory to counsel for the County  
8 stating that (a) the Bank has purchased the Bond as a commercial  
9 investment and not with a view to redistribute the same to the  
10 general public, and (b) the Bank has not relied upon the County  
11 or its agents for or received from the County or its agents any  
12 information concerning the financial condition or other infor-  
13 mation of David C. Galbreath, individually or trading as Delta  
14 Lumber & Building Supply Co.

15       Section II. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
16 OF HARFORD COUNTY, MARYLAND, that the provisions of this  
17 Ordinance are severable, and if any provision, sentence, clause,  
18 section or part thereof is held illegal, invalid or uncon-  
19 stitutional or inapplicable to any person or circumstances,  
20 such illegality, invalidity or unconstitutionality, or inap-  
21 plicability shall not affect or impair any of the remaining  
22 provisions, sentences, clauses, sections, or parts of this  
23 Ordinance or their application to other persons or circumstances.  
24 It is hereby declared to be the legislative intent that this  
25 Ordinance would have been passed if such illegal, invalid or  
26 unconstitutional provisions, sentence, clause, section or part  
27 had not been included herein, and if the person or circumstances  
28 to which this Ordinance or any part hereof are inapplicable  
29 had been specifically exempted herefrom.

30       Section 12. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
31 OF HARFORD COUNTY, MARYLAND, that the County Council of Harford  
32 County, Maryland, by resolution may change the amount of Bonds

1 to be sold but not in excess of Two Hundred Fifty Thousand  
2 Dollars (\$250,000), provide for the maturity schedule of the  
3 Bonds, the interest payable on the Bonds, the date of the Bonds,  
4 the dates of payment of interest and principal on the Bonds,  
5 provide for prepayment provisions with respect to payment of  
6 the Bonds prior to their maturity and provide for the execution  
7 of any and all agreements necessary or appropriate to accomplish  
8 the issuance and sale of the Bonds, in the manner herein  
9 described or in any other manner consistent with Sections 266(A)  
10 to 266(I), inclusive, of Article 41 of the Annotated Code of  
11 Maryland (1971 Replacement Volume, 1979 Cumulative Supplement),  
12 so long as the County has no pecuniary liability with respect  
13 to the payment of principal and interest on the Bonds.

14 Section 13. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
15 OF HARFORD COUNTY, MARYLAND, that all expenses of the County,  
16 including the expenses of private attorneys employed by the  
17 County in connection with the issuance and sale of the Bonds  
18 shall be paid by David C. Galbreath trading as Delta Lumber &  
19 Building Supply Co.

20 Section 14. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
21 OF HARFORD COUNTY, MARYLAND, that the Industrial Building  
22 and the sale of the Bonds therefor shall not constitute a  
23 capital project within the meaning of the Harford County  
24 Charter or Code.

25 Section 15. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
26 OF HARFORD COUNTY, MARYLAND, that the Owner, shall pay or  
27 make arrangements for the payment of any taxes, assessments  
28 or charges which may be lawfully levied, assessed or charged  
29 against the Industrial Building and the land underlying the  
30 Industrial Building, or, in the event such charge may not be  
31 made due to ownership of legal title by the County, the Owner,  
32 agrees to make payments to or make arrangements for the payment

1 to the County of amounts equal to taxes which the County would  
2 otherwise have the right to assess.

3 Section 16. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
4 OF HARFORD COUNTY, MARYLAND, that an appropriate indemnity,  
5 defense and hold harmless agreement shall be executed by the  
6 Owner, in form and substance satisfactory to counsel for the  
7 County, as provided in the Letter of Intent prior to the  
8 issuance of the Bonds.

9 Section 17. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
10 OF HARFORD COUNTY, MARYLAND, that the Bonds, when issued, shall  
11 be executed in the name of Harford County, Maryland, by the  
12 facsimile or manual signature of the County Executive of  
13 Harford County, Maryland, and a facsimile of the corporate  
14 seal of the County shall be imprinted on each of the Bonds  
15 attested by the manual signature of the Director of Adminis-  
16 tration of Harford County. The facsimiles of said signature  
17 and said seal shall be engraved, printed or lithographed on  
18 each of the Bonds in accordance with, and pursuant to the  
19 authority of Section 13-18, inclusive, of Article 31 of the  
20 Annotated Code of Maryland (1976 Replacement Volume, 1979  
21 Supplement).

22 Section 18. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL  
23 OF HARFORD COUNTY, MARYLAND, that this Ordinance has no  
24 financial impact on Harford County, Maryland, and, therefore,  
25 there is no requirement for a fiscal impact note.

26  
27 EFFECTIVE: July 13, 1981

28  
29 *The Secretary of the Council does hereby*  
30 *certify that fifteen (15) copies of this Bill*  
31 *are immediately available for distribution to*  
32 *the public and the press.*

*Angela M. Marlauskis*, Secretary



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BY THE COUNCIL

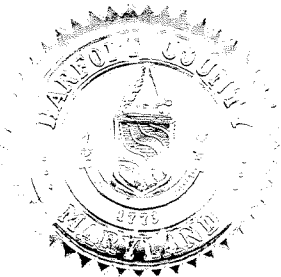
Read the third time, BILL NO. 81-16,

Passed LSD 81-14 (May 12, 1981) ~~XXXXXXXXXXXXXXXXXXXX~~  
 XXXXXXXXXXXXXXXXXXXX

By order

Angela Markowski, Secretary

Sealed with the County Seal and presented to the County Executive  
 for his approval this 13th day of May, 1981  
 at 3:00 o'clock P.M.



Angela Markowski, Secretary

BY THE EXECUTIVE

APPROVED:

Thomas Brang  
 County Executive  
 Date 5/14/81

BY THE COUNCIL

This Bill (No. 81-16), having been approved by the Executive  
 and returned to the Council, becomes law on May 14, 1981.

Angela Markowski, Secretary

Rec'd & Recorded 9-9 1981 at 9:00 A.M.  
 Liber 6 Folio 454 & examined per  
 H. Douglas Chilcoat, Clerk, Harford Co.

EFFECTIVE DATE: July 13, 1981